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26 May 1952

MEMORANDUM FOR: Deputy Director (Flans)

SUBJECT:

Budget Increase for LCPROWL Apparat (Project LCPROWL) (Amendment No. 3)

1. It is requested that an additional \$ be authorized for project LCPROWL to defray necessary expenses of the LCPROWL Apparat during the balance of FY 1952. With the requested \$ , the total FY 1952 LCPROWL Apparat budget will be \$

- 2. Originally authorized in 1950 as the fourth phase of Project LCPROWL, the LCPROWL Apparat is an OPC-controlled clandestine paramilitary resistance organization whose original members were recruited from the overt Bund Deutscher Jugend (League of German Youth) (BDJ), an indigenous anti-Communist organization developed and supported under project LCPROWL.
- 3. Since its establishment, the Apparat has severed all ties with its overt parent organization, and considerable attention has been devoted to perfecting and maintaining the security of the operation. As originally conceived, the Apparat was to recruit a force of 7,000 persons, mainly in Western Germany, but an assessment of the importance of not disturbing current diplomatic negotiations between the Allies and the Federal Republic led to a decision to limit temporarily the scope of West German paramilitary preparations, pending a time when West German paramilitary stay-behind assets can be developed in concert with an official instrumentality of the Bonn government. Although the need for large West German indigenous paramilitary stay-behind forces to support a possible retardative effort sfill exists, it is believed impossible to develop such forces in West Ger way without the knowledge of the Bonn Government, whose independent of such activity might prejudice the principal United States \*\* gaining the Federal Republic's integration into the Europe Jefense Com-A out with munity. Until an understanding on this matter can be Bonn authorities, it is proposed to develop and main+

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Bonn cognizance only such limited OPC-controlled resistance nuclei as are needed as a hedge against the outbreak of war before joint arrangements can be perfected. This policy has been applied in West Germany to the LCPROWL Apparat, whose organization and activities are being administered so as to minimize the danger of compromising U.S. interest. These limitations are not being applied to the same extent in East Germany, where the issue of U.S. "interference" does not have the same political implications as in West Germany.

- 4. Consistent with these policies, the West German elements of the Apparat are being reorganized and consolidated into a highly-compartmented network that is not to exceed a total strength of 500. To date, 100 West German agents have been cleared and 25 additional West German clearance requests are pending. Secure and completely indigenous training facilities have been developed in West Germany. More than 3,000 persons have been spotted in West Germany, but the majority of these will not be recruited until the outbreak of hostilities.
- 5. In East Germany, approximately 450 agents have been contacted and organized, and an additional 1,700 have been spotted for possible future recruitment. The East German portion of the Apparat has established secure communications channels, including border-crossing arrangements for arms infiltration, and is developing capabilities for caching operations in East Germany.
- 6. Despite the decision to limit the expansion of the Apparat in West Germany, it has become evident that the Apparat needs a somewhat increased budget in order to safeguard its security and achieve its present objectives:
- a. Experience has indicated that one cover business is not sufficient in view of current security requirements. The plywood firm now used for cover purposes can accommodate only a limited number of agents and cannot be used for the several echelons of the Apparat. Had the Apparat continued as originally conceived, several additional cover establishments would have been required; under present conditions, purchase of at least one additional cover business appears essential.
- b. Salaries of nineteen persons were provided in the budget of LCPROWL Amendment No. 2. In practice this number of full time personnel has not been adequate. Amendment No. 2 provided for quarters and rations for trainees, but neglected provision for travel or subsistence payments for trainees with dependents. Additional funds are therefore required to meet these expenses.
- c. Neither the original project nor the two subsequent amendments made any provision for the cost of organizational work inside

  East Germany. Since this area now has priority, additional funds are urgently needed to purchase operational housing, pay agent salaries, and meet the expenses of documenting, spetting, and recruiting new personnel.

  Provision must also be made for training obligations, disposal costs,

travel expenses, as well as for unforeseen emergencies.

7. In view of the above considerations it is requested that \$11,000 be added to the FY 1952 budget of the LCPROWL Apparat.

Chief, Eastern European Division

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